

INDEX PERFORMANCE*

Since Inception (1/1/07) : **-56.0%**

24 Month : **-61.63%**

12 Month : **-47.8%**

6 Month : **-33.1%**

YTD : **34.4%**

*Data as of 3/20/2009

INDEX COMPONENTS

- 39 public companies
- All companies are primarily focused on the Life Sciences with 9 in the therapeutics category, 20 in medical devices, 4 in scientific equipment & 6 investment holding companies.
- Index includes companies headquartered in Israel; however 12 companies have sites outside of the country.
- Companies range in market value (capitalization) from \$250Mn to < \$2 Mn USD

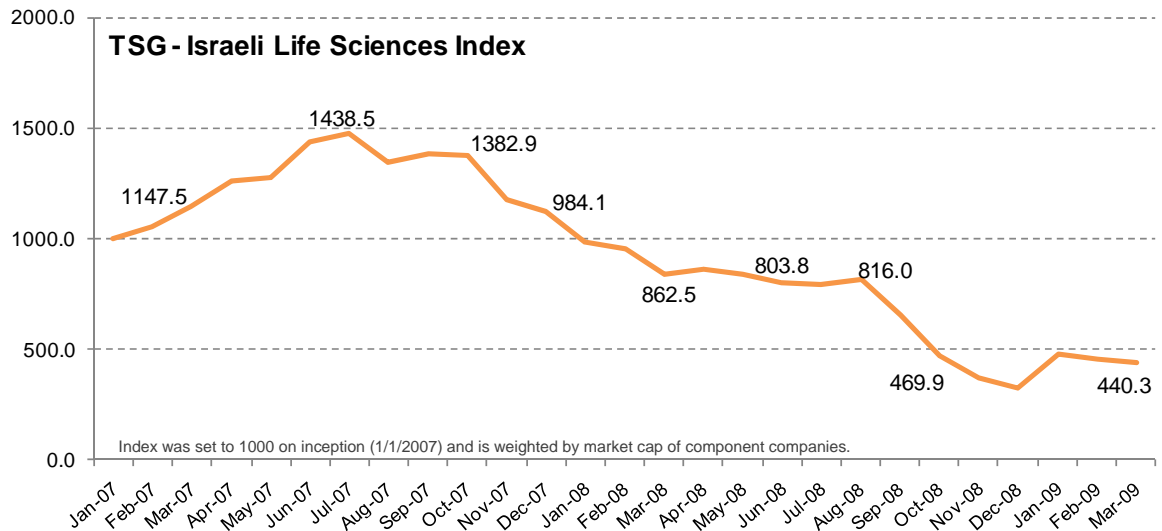
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The TSG-ILSI has seen a 34.4% increase in value for 2009 through March 19. Although the TSG-ILSI is down to 440.3 from a peak value of 1,438.5 in June of 2007, we see a significant increase in the maturity of the companies on the index and a greater emphasis on commercialization v. pure research and development efforts.



- ➔ The Israeli Life Sciences environment is still in its embryonic stage of development with 24 of the 39 companies realizing revenues of less than \$1 million in 2008 (13 of those companies had no revenue during the same period). Although the TSG ILSI has not seen any major transaction activity, the smaller companies on the index, especially those with a strong IP position, could face potential takeover targeting from outside of Israel.
- ➔ On March 24th, drug discovery company Compugen Ltd announced an agreement with Teva Pharmaceutical Industries (NASDAQ: TEVA) to utilize a set of biomarkers for detection of drug-induced toxicity in the kidney. Compugen plans to commercially license the markers, which were discovered via a collaboration between the two companies, during the second half of 2009.
- ➔ Salivary gland endoscopy company Sialo Technology Israel Ltd shares jumped 97% on news that it received a U.S. patent and FDA approval to market its product for treating salivary gland problems. Sialo is also in discussions with Henry Scheine (NASDAQ: HSIC) and Dentsply International (NASDAQ: XRAY) regarding a possible agreement around commercializing Sialo's root-canal dental endoscope.
- ➔ Biopharma company Kamada announced positive results in its Phase II study of Inhaled Alpha-1 Antitrypsin in bronchiectasis patients. Earlier this month, Kamada was awarded a U.S. \$5M contract from the Israeli Ministry of Health to develop and produce an antidote against snakebite. The ministry committed to a ten-year purchase agreement for the antiserum.

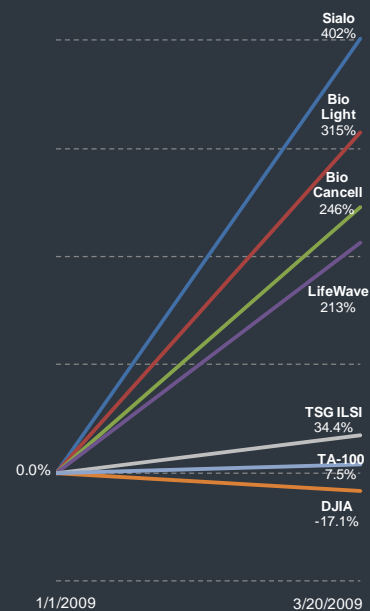
Four companies have achieved abnormally high returns during the first three months of 2009.

Company (2009 YTD Returns)

Key Criteria for Gains

- Sialo Tech. +402% - Sialo Technology received key approvals from the FDA early this year, and is in preliminary talks with two companies to commercialize its proprietary dental endoscope.
- Bio Light +315% - Bio Light's i-Optima unit began European clinical trials of its OT-134 laser device for the treatment of glaucoma.
- Biocancell +246% - Biocancell Therapeutics reported that it has received authorization and funding from the Office of the Chief Scientist for development of its ovarian cancer treatment.
- LifeWave +213% - LifeWave has signed an exclusive distribution agreement for its chronic wounds treatment device in Canada. The distributors undertake to promote and introduce the innovative LifeWave BST treatment.

**SELECT YTD 2009
SHARE RETURNS**



Company	Valuation Ratios		Key Financials		Share Performance			
	P/S	P/E	Mkt. Cap	Rev. (ttm)	YTD	6 Mo.	12 Mo.	24 Mo.
Given Imaging	1.97	N/A	\$231.89	\$117.92	10.6%	-20.1%	-45.2%	-61.7%
CLAL Biotech	N/A	N/A	\$81.10	\$0.79	84.9%	-11.7%	-39.5%	N/A
Elron Electronic	10.48	N/A	\$61.62	\$5.88	67.6%	-51.6%	-71.7%	-84.7%
Brainsway	N/A	N/A	\$59.02	\$0.00	28.9%	8.1%	56.9%	97.6%
Shamir Optical Ind.	0.39	4.08	\$51.40	\$132.26	7.6%	-43.4%	-49.0%	-65.8%
Kamada	3.80	N/A	\$41.68	\$10.96	153.4%	-45.6%	-50.0%	-39.9%
Evogene	11.35	N/A	\$36.66	\$3.23	-7.2%	-27.9%	75.0%	N/A
Can Fite Biofama	18.04	N/A	\$24.50	\$1.36	100.1%	-10.6%	-26.2%	-51.1%
Tuttnauer	0.61	11.99	\$23.71	\$38.58	13.4%	1.5%	2.0%	-53.6%
Bio-Cell	N/A	N/A	\$20.99	\$0.00	86.1%	39.5%	12.4%	-68.5%
Mazor Surgical	N/A	N/A	\$17.44	\$0.33	-13.8%	-36.3%	-48.9%	N/A
BioIne Rx	N/A	N/A	\$17.27	\$0.00	34.2%	-37.8%	-63.2%	-80.4%
LifeWave	N/A	N/A	\$14.80	\$0.54	212.9%	20.3%	-53.2%	-85.4%
Medigus	N/A	N/A	\$14.78	\$0.16	29.7%	-45.1%	-39.6%	-57.7%
Compugen	N/A	N/A	\$13.99	\$0.32	16.4%	-69.5%	-71.7%	-80.7%
Itamar Medical	2.45	N/A	\$12.88	\$5.25	100.4%	90.7%	-37.4%	-56.3%
D Medical Industries	N/A	N/A	\$12.12	\$0.00	22.1%	-32.4%	-43.6%	-17.6%
Biomedix Incubator	3.55	N/A	\$12.00	\$3.38	67.0%	-45.6%	-65.0%	-81.3%
Nasvax	N/A	N/A	\$9.04	\$0.00	64.2%	-45.3%	-62.7%	-66.8%
Siab Tech. Israel	N/A	N/A	\$8.51	\$0.09	402.2%	69.7%	10.8%	-31.7%
Capital Point	1.96	N/A	\$8.34	\$4.26	31.6%	-11.3%	-26.0%	-68.6%
Applisonix	N/A	N/A	\$7.29	\$0.00	79.9%	-4.1%	-40.0%	-44.9%
Micromedic Tech.	N/A	N/A	\$7.28	\$0.00	73.8%	69.6%	-11.0%	-37.0%
Medical Compression	2.57	N/A	\$6.62	\$2.57	82.1%	-8.1%	-27.2%	-36.6%
Bio Light Investments	N/A	N/A	\$6.20	\$0.00	315.0%	5.3%	-45.9%	-84.7%
Intercure	1.31	N/A	\$5.91	\$4.51	-52.6%	-72.6%	-85.8%	N/A
Biocancell Therapeutic	N/A	N/A	\$5.66	\$0.00	245.7%	10.2%	-35.4%	-59.1%
Hadasit Bio Holdings	N/A	N/A	\$4.69	\$0.00	202.5%	-1.6%	-61.2%	-85.5%
XTL Biopharmaceutica	1.28	N/A	\$4.21	\$3.27	176.2%	-95.7%	-91.9%	-95.2%
Exalenz Bioscience	N/A	N/A	\$4.04	\$0.88	57.6%	-82.3%	-82.7%	N/A
I.T.G.I. Medical	N/A	N/A	\$3.95	\$0.18	73.8%	74.8%	-41.3%	N/A
Biological Signal Proc.	N/A	N/A	\$3.42	\$0.03	40.8%	-27.1%	-42.7%	-63.8%
Bio View	0.52	N/A	\$2.38	\$4.60	211.4%	-19.9%	-41.5%	-75.7%
Procognia	N/A	N/A	\$1.95	\$0.62	123.6%	-49.3%	-53.0%	-90.5%
Widemed	N/A	N/A	\$1.91	\$0.65	60.5%	27.7%	-36.6%	-84.0%
Topspin Medical	N/A	N/A	\$1.88	\$0.00	18.8%	22.7%	-82.6%	-94.5%
Biondvax Pharma	N/A	N/A	\$1.85	\$0.00	-2.3%	-15.8%	-47.2%	N/A
Elutex	N/A	N/A	\$1.63	\$0.00	57.5%	-13.4%	-59.6%	-83.5%
T.R.D. Instruments	0.94	N/A	\$1.49	\$1.59	-27.0%	-19.8%	9.1%	-52.8%
Index Averages	4.08	N/A			82.7%	-12.0%	-45.1%	-50.5%

Companies with less than \$1Mn in Revenue were not included in the Valuation Ratios

KEY TAKEAWAYS

GIVEN IMAGING

- Given Imaging Ltd. announced the expansion of its relationship with FUJIFILM Corporation by entering into an agreement with FUJIFILM Medical Co. Ltd to distribute Given Imaging's PillCam SB product line in Japan as of January 20th, 2009.

SHAMIR OPTICAL

- Shares of ophthalmic lens producer Shamir Optical Industry are up 7% year to date after announcing its year-end and fourth-quarter 2008 results.

- Q4 revenues were down 4.6% year-over year; however, company CEO Eyal Hayardeny remained optimistic about the success of Shamir's strategies to penetrate emerging economies, including Mexico.

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Given Imaging



Company overview

- Given Imaging Ltd. develops, produces and markets patient-friendly products for detecting gastrointestinal (GI) disorders.
- The Company product, the PillCam capsule endoscopy, offers a range of PillCam video capsules and related products. The PillCam video capsule is a disposable, miniature video camera contained in a capsule that can be easily ingested by the patient. The capsule transmits color images of the GI tract that enable physicians to visualize the small intestine and esophagus. PillCam SB, a ingestible diagnostic tool that allows direct visualization of the entire small bowel, became available in 2001 and has demonstrated diagnostic efficacy. PillCam ESO was cleared for use in the United States in November 2004.

Products/Services/Offerings

- PillCam Capsule endoscopy

Selected financials

FYE Dec. 31, \$M				
	2005A	2006A	2007A	2008A
Sales	\$87	\$95	\$113	\$125
% growth	34%	9%	19%	11%
Gross % margin	75%	75%	69%	74%
EBIT % margin	4.8%	-7.1%	11.3%	-1.5%

Source: Company 10-K and website

Company statistics

Location	Yotqneam, ISR
Employees	458
Ownership	Public (GIVN)
EV	\$173.2Mn
Mkt Cap	\$232.9Mn
Cash	\$60.2Mn

FY07 revenue mix

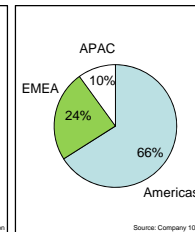
Sales by (sub) segment

Given Imaging operates in only one business segment.

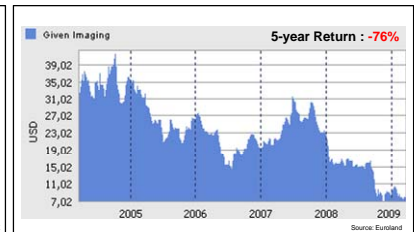
Source: Annual Corporate Presentation

FY07 revenue mix

Sales by (sub) segment



5-year share price performance



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Shamir Optical Industry



Company overview

- Shamir Optical Industry is a provider of products and technology to the spectacle lens market, with a particular focus on the progressive lens market. Utilizing the Company's technology, it develops, designs, manufactures and markets progressive lenses that Shamir sells to the ophthalmic market.
- In addition, the Company sells finished lenses (stock and prescriptions) to opticians, and utilizes its capabilities to provide design services to optical lens manufacturers under service, royalty agreements.
- In July 2008, the Company acquired the remaining 49% interest in Altra Trading GmbH.

Products/Services/Offerings

- Its principal lenses are marketed under a variety of brand names, including Shamir Genesis, Shamir Piccolo, Shamir Office, Shamir Autograph, Shamir Creation, Shamir Smart and Shamir Attitude

Selected financials

FYE Dec. 31, \$M				
	2005A	2006A	2007A	2008A
Sales	\$80	\$97	\$120	\$140
% growth	13%	21%	24%	17%
Gross % margin	55%	55%	54%	54%
EBIT % margin	15.1%	7.3%	9.9%	9.5%

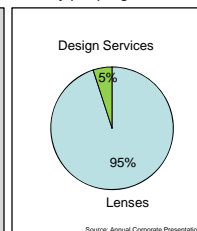
Source: Company 10-K and website

Company statistics

Location	Upper Galilee
Employees	1,345
Ownership	Public (SHMR)
EV	\$39.2Mn
Mkt Cap	\$51.4Mn
Cash	\$25.5Mn

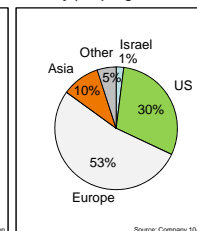
FY07 revenue mix

Sales by (sub) segment

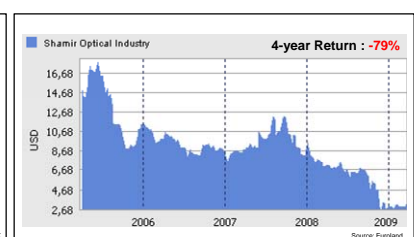


FY07 revenue mix

Sales by (sub) segment



4-year share price performance



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